

NEWS FROM

KHEAA–Alabama

100 North Union Street, Suite 390, Montgomery, AL 36104-3762

Phone: (334) 265-9720 Toll-free: (800) 721-9720

Fax: (334) 265-9750

Contact: Lori Powers

Phone: (502) 696-7378

February 2009

Money Tips for College Students: How to Make It, Use It and Save It

Pay yourself first as part of your money plan

If you're a college student, the most important thing to do with the money you earn is to pay yourself first by putting as much away as you can into savings. Some financial advisers recommend saving between 10 and 17 percent of your income.

The best way to save money is through direct deposit. The money goes to your savings account before you get a chance to spend it.

Once you've accumulated a considerable amount of savings, you might want to consider putting some of it into safe, short-term investments such as a certificate of deposit (CD). With the turmoil in the stock market over the past year, though, you should be cautious about sinking a lot of money into stocks. You should consult with a stockbroker from a reputable firm if you're considering something like that.

Don't think you make enough to save anything? Keep track of what you spend and you'll almost certainly find places you can save a few dollars here and there. Do you really need to buy soft drinks from the soda machine or to make that 251st text message that will send you into overage on your bill?

When you cut your spending, you can sit back and watch your savings grow.

These tips are brought to you by KHEAA–Alabama, which has helped thousands of students pay for college. For more information about student financial aid and college planning, visit www.alstudentaid.com; write KHEAA–Alabama, 100 North Union Street, Suite 390, Montgomery, AL 36104-3761; or call 334-265-9720, toll free (800) 721-9720.